IN THE COURT OF COMMON PLEAS, FRANKLIN COUNTY, OHIO
CIVIL DIVISION

ALAN ZWEGAT
15430 Overture Dr.
Newbury, Ohio 44065

CASE NO.:

And

ED FALATIC
7762 Glen Oaks Dr. NE
Warren, Ohio 44484

And

STEVEN ROBERTS
625 Red Bud Lane, #16
Grapevine, Texas 76051

And

JUDGE

HENRY MEYERS
6895 Beaver Run Rd.
Pataskala, Ohio 43062

And

ROBERT CUPP
66 Page, Apt. B
Gahanna, Ohio 43230

Plaintiffs,

v.

BOARD OF TRUSTEES
OHIO POLICE AND FIRE PENSION FUND
c/o John Gallagher, Executive Director
140 East Town Street
Columbus, OH 43215,

and

John Does 1-12

Defendants.

CLASS ACTION COMPLAINT

Background:

1. Plaintiffs bring this action on behalf of themselves and other persons similarly situated who are so numerous that joinder of all members is impractical.

2. There are questions of law or fact common to all members of the class.

3. The claims or defenses of the representative parties are typical of the claims or defense of the class.

4. The representative parties will fairly and adequately protect the interests of the class.

5. During all times mentioned in this Complaint, Plaintiffs retirees (hereinafter "Plaintiffs") were and still are retired police officers or fire fighters who are members and participants of Defendant Ohio Police and Fire Pension Fund (hereinafter Defendant). Defendants John Does 1-12 are other possible individuals or entities which may have participated in Defendant's decision to modify the health insurance coverage available to retirees.

6. Defendant was created pursuant to Ohio Revised Code Section 742.02 for the purpose of providing disability benefits and pensions to members of the fund and their surviving spouses, children, and dependents with its principal place of business in Franklin County, Ohio, as set forth in the caption above.

7. According to Ohio Revised Code Section 742.03 (B); the administration, control, and management of the Ohio Police and Fire Pension Fund created under Ohio Revised Code Section 742.02 is vested in a Board of Trustees of the Ohio Police and Fire Pension Fund.

8. Plaintiffs were and are participants in the various benefits provided by Defendant. These benefits included certain provisions for health insurance coverage as set forth in the attached

documents provided by Defendant. For decades, Plaintiffs relied to their detriment on the representations and promises of Defendant to provide health insurance coverage to Plaintiffs. A copy of the health insurance excerpt text is included at page 18 of Defendant's initial literature promoting its health insurance plan is attached hereto and incorporated herein as Exhibit 1. This provision was repeated over the years since that printing.

9. Defendant has recently initiated a transition for retired police and fire personnel to move from group health insurance to individual plans. Plaintiffs have found the process is often confusing. Plaintiffs are pressed to make decisions based on artificial deadlines and in many cases their choice of plans do not include their doctors and medical services and these costs are not comparable to their experience under Defendant's OP&F group plan. Some pre-Medicare retirees have found there are no plans available in their area and the plans available on healthcare.gov are not comparable to the benefits they had in Defendant's OP&F group plan.

10. Plaintiffs have been informed and believe that of the approximately 8,000 pre-Medicare retired personnel who are eligible for a stipend, only 4,700 have signed up for individual plans (many reluctantly and with diminished coverage or increased costs). This results in about 3,300 people who may lose their opportunity for an individual plan with a stipend.

11. In addition, Plaintiffs were required to participate in Defendant's programs and coverages as members or participants in Defendant's fund when they undertook their police and fire careers which denied them the opportunity to participate in other retirement programs or health insurance coverages.

12. On or about November 1, 2018, after years of coverage, Defendant made the details available to its members about the transition from a self-insured group health insurance program to a plan requiring Plaintiffs to obtain their own health insurance provider with assistance from a

third-party entity known as Aon Retiree Health Exchange ("Aon"). The services of Aon were selected and authorized by Defendant, but Aon was paid by a share of the successful sales of new health insurance policies to retirees. In addition, Defendant committed to providing a stipend to certain retirees with the new coverage subject to certain terms and conditions, particularly of concern to pre-Medicare retirees.

13. These terms and conditions resulted in many retirees having to accept lesser coverage for greater premium costs or greater deductibles. In many cases, these new financial obligations of retirees have and will result in the inability of retirees to obtain and pay for health insurance coverage now and in the future. Plaintiffs have been informed and believe that the health insurance coverage for many thousands of retirees in Ohio and out of state will be adversely affected by the changes ordered by Defendant. In many cases, those adverse changes will be permanent and unavoidable if the changes take place on January 1, 2019, as ordered by Defendant. Leaders of the Ohio Fraternal Order of Police and Ohio Association of Professional Fire Fighters have informed Defendant of their concerns as to the actions to change the health insurance coverage as indicated in their letters copies of which are attached hereto and incorporated herein as Exhibits 2 and 3, respectively.

14. These health insurance changes are scheduled to take effect on January 1, 2019, and many retirees are unable to comply with the required changes by that date which will result in their inability to obtain health insurance coverage at a substantial cost increase and without the stipend. In some cases, the preexisting conditions for the retirees will prevent them from obtaining any coverage at any cost.

Class Action:

15. Plaintiffs reallege the allegations contained in the foregoing paragraphs 1-14.

16. Plaintiffs are all similarly situated in that they all suffered adverse conditions in varying degrees resulting from the health insurance actions of Defendant and they will suffer irreparable harm if the process announced by Defendant takes place as scheduled on January 1, 2019.

Promissory Estoppel:

17. Plaintiffs reallege the allegations contained in the foregoing paragraphs 1-16.

18. Defendant has offered its members group health insurance since its formation in 1965. Members have been assured for decades that they would have coverage during their active service as active first responders and into retirement. Plaintiffs took this into account as an important factor in bargaining negotiations at the local level with the employers of these police and fire first responders.

19. Plaintiffs reasonably relied on Defendant's promises of health care insurance for themselves and their dependents during their careers and into their retirement. Enforcement of the decades of health insurance promises and assurances are required to avoid injustice.

20. Plaintiffs have been injured by Defendant's actions in forcing them to obtain health insurance on their own in the individual market without adequate time to investigate their options.

21. Plaintiffs have no adequate remedy at law because Defendant's health insurance changes interfere with Plaintiffs' ability to continue their health insurance coverage without injunctive relief and Defendant will continue to engage in changing the insurance coverage to the detriment of Plaintiffs causing further irreparable harm and distress to Plaintiffs.

22. If not enjoined by this Court, Defendant will continue to engage in conduct causing further loss of health insurance coverage opportunities with irreparable harm to Plaintiffs. Notwithstanding concerns expressed to Defendant to date, its order to commence new health

insurance coverage with adverse effect to Plaintiffs has not been postponed and is going forward.

23. Plaintiffs seek an Order of injunctive relief to prevent irreparable injury to Plaintiffs and many retirees similarly situated, particularly those who are not eligible for Medicare. Plaintiffs specifically seek an Order in the best interests of the members who will be displaced and harmed by implementation of this transition plan to delay the transition for a reasonable period of time, but at least until June 30, 2019, as requested in Plaintiffs' Motion for a Temporary Restraining Order and Preliminary Injunction.

WHEREFORE, Plaintiffs request affirmative action on their Motion for Temporary Restraining Order; Preliminary Injunction and Permanent Injunction against Defendant Board of Trustees Ohio Police and Fire Pension Fund precluding the change of health insurance coverages from the previous coverages as designated by Plaintiffs until a date to be established by this Court to enable a full and complete evaluation of the available health insurance coverage options, but no sooner than June 30, 2019, or until further order of the Court plus reimbursement of Plaintiffs' reasonable attorney fees and expenses.

Respectfully submitted,

/s/ Joel Campbell
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POLICE AND FIREMEN'S DISABILITY AND PENSION FUND OF OHIO

230 E. Town Street
Columbus, Ohio
43215
614-228-2975

NOTE: This booklet is designed to answer your questions in as simple yet factual a manner as possible. The contents of this booklet shall in no way be taken as creating any contractual rights between PFDPF and the member. It is intended only as a summary of present practices compiled for the general convenience of members. Of necessity, it cannot be complete in all detail, and cannot through incompleteness of statement supersede or restrict the procedures or authority granted pursuant to state statute.

Rev. 3/80

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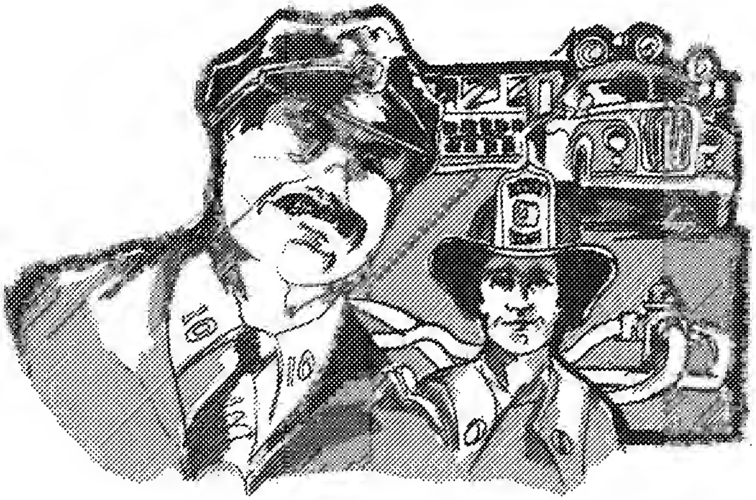

PREFACE

The Police and Firemen's Disability and Pension Fund was created by the Ohio General Assembly in 1965, replacing 434 separate local police and firemen's relief and pension funds in Ohio. The statewide fund began operating January 1, 1967. On that date the local pension funds transferred their assets and liabilities to PFDPF.

Assets transferred to PFDPF were approximately $75 million. The fund actuary computed the liabilities accrued up to 1966 at about $490 million. Unfunded accrued liabilities totaling over $415 million are being paid by the employers over a 67-year period which began in 1969. All municipalities are meeting their obligations to the fund and employer accrued liability payments are received semi-annually.

The legislative act creating PFDPF has been held constitutional, as has the provision establishing and requiring payment of the employer accrued liability.

The pension plan is designed to provide reasonable income to you and your family when you need it most — when you stop working, become disabled, or in the event of death prior to or on retirement.

Eight and a half per cent of your earnings are invested in the plan. This is the safest and best investment you can make. Your employer contributes the appropriate per cent of payroll necessary to fund current service costs. This is in

addition to the more than $20 million annual contributions for past service liability (accrued prior to 1967) made by employers.

Money deducted from your salary is placed in your own separate account much like a savings account in a bank. Each month as your deductions come in, they are posted to your credit on your own ledger card.

We have come a long way since 1967 in establishing a financially sound fund which now operates on an actuarial reserve basis. We have had several successful legislative sessions which have resulted in materially improved benefits.

This booklet has been prepared to help you plan your retirement income and to acquaint you with the people who administer your pension plan. If we have omitted certain information you desire, please contact the fund office and give us the opportunity to assist you.

March, 1980

L. P. Ross
Executive Secretary

b. Unmarried children under age 18; unmarried children under age 22 if in school; dependent, handicapped children at any age.
c. If none of the above, dependent parent or parents.

Q 2. *What are the benefits?*

a. Spouse — $210 per month until remarriage or death.
b. Unmarried children under age 18 — $68 per month for each child until attainment of age 18 or marriage, whichever occurs first.

Unmarried children under age 22, if in school — $68 per month for each child until attainment of age 22, graduation, or leaving school.

Dependent, handicapped children — $68 per month for each child until recovery or death.

c. If none of the above, two dependent parents receive $79 each per month; if one dependent parent, the benefit is $158 per month until remarriage or death.
d. When there are no survivors eligible to receive a monthly benefit, the contributions of an active member are paid to his estate. If the deceased member was retired, his estate receives any balance remaining in his contribution account.

HEALTH CARE INSURANCE AFTER RETIREMENT

Q 1. *What kind of hospital and medical insurance is offered to pensioners?*

Since July 1, 1974 the pension board has covered every pensioner (including those receiving disability and survivor benefits) under a hospitalization and health care policy with a nationally known insurance carrier.

Q 2. *How was the health care plan selected?*

The plan was adopted after careful study by your pension fund management and board in consultation with a highly-qualified employee-benefit consulting firm. The plan has been specially designed to provide the pensioner with a high level of medical insurance coverage not generally available to retired persons. The present plan will be reviewed from time to time with the aim to improve and expand the excellent coverage now offered.

Q 3. *Who pays the premium?*

Coverage is provided to the pensioner automatically and at no cost to him.

Q 4. *Are dependents included in the coverage?*

A pensioner's spouse and dependent children will be included if he informs the pension office that he wishes to have them covered. The cost for eligible dependents is also borne by the pension fund.

Q 5. *Who are "eligible dependents"?*

A spouse, dependent children under age 18 and full-time students under 22, and mentally or physically disabled children at any age are "eligible dependents" and may be included in health care coverage.

Q 6. *What are the features of the health care plan?*

- First dollar coverage of hospital expenses (no deductible)
- 100% of hospital expenses with no limit on days of confinement (semi-private room)
- 365 days of confinement paid in convalescent facility (semi-private room)
- 100% of intensive care expenses paid
- 80% of other medical expenses paid, including doctor fees, office visits, drugs and medicine prescribed by physician, diagnostic x-rays, artificial eyes and limbs, detoxification for alcohol or drugs in hospital
- Supplements Medicare Hospital Insurance (Part A). If pensioner or spouse is over age 65 and not eligible for Medicare (Part A), an equivalent of Medicare (A) is provided. However, the Health Care Plan DOES NOT provide an equivalent for PART B Medicare. It is important that all members obtain this coverage from the Social Security Administration upon reaching age 65. Part B Medicare premiums are reimbursed by the fund upon proof of coverage.
- Option plan beneficiaries are covered only if they receive the statutory survivor benefits.

TAXATION OF PENSION CONTRIBUTIONS AND PENSION PAYMENTS

Federal income tax laws and Internal Revenue regulations are constantly changing. Therefore, it is difficult for the Pension

FRATERNAL ORDER OF POLICE OF OHIO, INC.
222 East Town Street, Columbus, Ohio 43215-4611
(614) 224-5700 Fax (614) 224-5775
www.fopohio.org

November 18, 2018

Ohio Police and Fire Pension Fund
Mr. John Gallagher, Executive Director
140 E Town St.
Columbus, OH 43215

Director Gallagher:

After many conversations with you and members of the Board, and after sitting in on the meetings last Wednesday I am writing to request that the Ohio Police and Fire Pension Fund stop the implementation of the health care transition to AON/E Health Insurance which is currently underway. As one who sat through the presentations by AON when they outlined their program and the number of plans available and their timeline for implementation they have failed miserably to provide what they promised.

As it currently stands this transition is at best having some serious issues, with confirmed call appointments being missed, member calls to AON going unanswered, or if answered the call taker not being able to assist the member or direct them to someone who can. Further hearing from AON last week that approximately 7000 Medicare members still need to be contacted and "pick" the supplemental coverage and pharmaceutical plan they will use seems to be an impossible task based on their performance so far.

Also, hearing that only 150 pre-Medicare members have signed up for coverage is cause for concern. Granted [illegible] responsibility to sign up, however after hearing from many many members on the lack of a plan they find acceptable, affordable or even available. As you know one member from Tennessee [illegible] month. This complaint even exists in Ohio [illegible] only being offered 1-3 plans with [illegible] the main health care provider [illegible]. Another area of concern is for our members [illegible] pocket expenses when [illegible] members [illegible]

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It was also disturbing that the answer given to a member when he asked why he couldn't take his supplement and buy his own insurance outside of the E Health insurance family he was told it was for tax purposes. It would seem prudent that if a member would rather receive a taxed supplement to find his own insurance plan as compared to no supplement and a bad plan with high premiums, the members should have that option.

In conclusion, on behalf of the over 25,000 active and retired members of the Ohio Fraternal Order of Police, I urge you and the Board to reconsider the implementation of this transition for the foreseeable future until all of these concerns and the others that our members have can be addressed and resolved.

Respectfully,

Gary Wolske

Gary Wolske
President
Ohio Fraternal Order of Police

Ohio Association of Professional Fire Fighters
140 E Town St., Suite 1725, Columbus OH 43215
Michael P. Taylor, President   William E. Quinn, Secretary/Treasurer

November 16, 2018

Ohio Police and Fire Pension Fund
Mr. John Gallagher, Executive Director
140 E Town St
Columbus Ohio 43215

Director Gallagher,

As a follow-up to our conversation Friday afternoon, I am writing to formally request that the Ohio Police and Fire Pension Fund immediately stop the implementation of the health care transition currently underway for 2019.

There can be little doubt that this transition is not in the best interest of our retired members who rely on the OP&F for their health care. The implementation has been sloppy and haphazard. Phone calls are going unanswered. Appointments are being missed. The vendors chosen for this monumentally important task missed the mark at nearly every turn. On behalf of 23,000 active and retired professional fire fighters, this is simply unacceptable

The plans being offered to our pre-medicare members are substandard with large swaths of the state being unable to find a plan. Members in Tuscawaras County are unrepresented by a plan offered by AON/E-Health. In Stark County the largest health care provider (Aultman) is not in any of the plans being offered. Only one plan is available for the largest metro area of the state, in Franklin County. As members move through this process I'm sure more areas like these will become known. This leaves too many retired fire fighters and their families with no real option for health care.

While we understand the imperative to find a solution to the overburdening cost of health care, especially given the restrictive standards of the legislature with GASB rules and the need to stay at the 30-year funding level. The plan and program are clearly not the answer.

We asked earlier this year that the OP&F postpone implementation of the program so that we could explore the unknown factors that would impact our fire fighters. Friday afternoon in your office and again in this correspondence, the Ohio Association of Professional Fire Fighters urges the Ohio Police and Fire Pension Fund to stop implementation of the planned health care insurance for 2019 and revert to the same plan that was in effect for 2018 and until such time that a viable solution to this issue can be properly vetted.

Sincerely

Michael P. Taylor
President
Ohio Association of Professional Fire Fighters

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